

**REMARKS**

This Application has been reviewed in light of the Office Action mailed May 6, 2005 (“Office Action”). Claims 1-47 are pending in the Application and stand rejected. Claims 1-3, 6-9, 12-14, 25-34, 36, and 41-47 have been amended solely to add clarifying language. Applicants respectfully request reconsideration and allowance of all pending claims.

**Rejections Under 35 U.S.C. § 101**

Claims 1-47 stand rejected under 35 U.S.C. § 101 as allegedly reciting non-statutory subject matter. Applicants respectfully traverse.

The patent laws define patentable subject matter as “any new and useful process, machine or composition of matter, or any new and useful improvement thereto.” *See* 35 U.S.C. § 101. When an abstract idea is reduced to a practical application, the abstract idea no longer stands alone if the practical application of the abstract idea produces a useful, concrete, and tangible result. This then satisfies the requirements of 35 U.S.C. § 101. *See In re Alappat*, 33 F.3d 1526, 1544, 31 U.S.P.Q.2d 1545, 1557 (Fed. Cir. 1994); *see also State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1373, 47 U.S.P.Q.2d 1596, 1601-02 (Fed. Cir. 1998). While an abstract idea by itself might not satisfy the requirements of 35 U.S.C. § 101, an abstract idea when practically applied to produce a useful, concrete, and tangible result satisfies 35 U.S.C. § 101. *See AT&T Corp. v. Excel Comm. Inc.*, 172 F.3d 1352, 1357, 50 U.S.P.Q.2d 1447, 1452 (Fed. Cir. 1999) (stating that as technology progressed, the CCPA overturned some of the earlier limiting principles regarding 35 U.S.C. § 101 and announced more expansive principles formulated with computer technology in mind); *see also In re Musgrave*, 431 F.2d 882, 167 U.S.P.Q. 280 (CCPA 1970) (cited by the Federal Circuit in *AT&T Corp.*, 172 F.3d at 1356). Thus, producing a useful, concrete, and tangible result is the key to patentability according to *State Street* and other applicable case law.

“Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. § 101.” M.P.E.P. § 2106. Indeed, a method or process remains statutory even if some or all of the steps therein can be performed in the human mind, with the aid of the human mind, or because it may be necessary for one

performing the method or process to think. *See In re Musgrave*, 431 F.2d at 893, 167 U.S.P.Q. at 289.

Applicants respectfully submit that each of Claims 1-47 meets that standard for patentability under 35 U.S.C. § 101. For example, Claim 1 recites a method including the steps of “distributing a first set of entries in at least one activity” and “conducting after market trading of at least one of the entries between at least one buyer and at least one seller.” Among other things, this results in an exchange of an entry in an activity between the at least one buyer and the at least one seller. This is a useful, concrete, and tangible result. Therefore, Claim 1 and its dependent claims recite statutory subject matter under 35 U.S.C. § 101.

Moreover, while Applicants submit that Claims 1-47 recite statutory subject matter without amendment, Applicants have nevertheless made various amendments to certain claims in order to even more clearly indicate the recitation of statutory subject matter under 35 U.S.C. § 101. For at least the foregoing reasons, Applicants respectfully request that the rejections under 35 U.S.C. § 101 be withdrawn.

#### **Rejections Under 35 U.S.C. § 112**

Claim 1 stands rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Applicants respectfully traverse.

Although Applicants submit that the claims are definite without amendment, Applicants have endeavored to further clarify the recited limitations by amending certain claims. Specifically, it is stated that the limitation “conducting an exchange” is not clear because it is “unclear from the claim limitations what exchange is being conducted. Applicants have amended Claim 1 to further clarify that it is an exchange of “an activity entry between a buyer and a seller.” It is also stated that “distributing a first set of entries in at least one activity” is unclear because it is unknown “[w]ho or what is distributing the entries and what is the activity.” Applicants submit that, with respect to Claim 1 before amendment, it makes no difference how the entries are distributed. The only requirement is that the entries are, in fact, distributed. Any method of distribution is acceptable. Nevertheless, Applicants have amended Claim 1 to recite that this step is performed “using the computer system.”

With respect to “activity,” Applicants note that in Claim 1, the entries may be related to any activity in which there may be entries. In one embodiment, as defined in the specification for example, an “activity” is “any activity for which one or more winning entries may be determined.” Specific examples of activities are recited in certain dependent claims. It is further stated that “market trading,” “first set of entries,” and “at least one buyer and at least one seller” lack antecedent basis. Applicants respectfully submit that antecedent basis exists in all instances. Applicants note that none of these limitations are first introduced as preceded by the word “the.” For example, Claim 1 initially recites “*a* first set of entries.” (Emphasis added). Thus, the limitation is providing antecedent basis for subsequent references to “first set of entries.” This is similarly the case with respect to “*at least one* buyer and *at least one* seller.” For at least the foregoing reasons, Applicants respectfully submit that the required antecedent basis is provided. Therefore, Applicants respectfully request withdrawal of the rejections under 35 U.S.C. § 112.

**CONCLUSION**

Applicants respectfully submit that the present Application is in condition for allowance and favorable notice thereof is solicited. Applicants request allowance of Claims 1-47. The Commissioner is hereby authorized to charge any deficiency or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to further the prosecution of this application, Applicants respectfully request that the Examiner call their attorney at the number listed below.

Respectfully submitted,  
BAKER BOTTS L.L.P.  
Attorneys for Applicants

A handwritten signature in black ink, appearing to be "JB Johnson", with a long horizontal flourish extending to the right.

Jay B. Johnson  
Reg. No. 38,193

Date: August 8, 2005

**Customer ID #05073**